



OCC ALERT

Comptroller of the Currency
Administrator of National Banks

Subject: Identity Theft

Description: Organized Gang and Teller
Collusion Schemes

TO: Chief Executive Officers of All National Banks; All State Banking Authorities; Chairman, Board of Governors of the Federal Reserve System; Chairman, Federal Deposit Insurance Corporation; Conference of State Bank Supervisors; Deputy Comptrollers (districts); Assistant Deputy Comptrollers; District Counsel and Examining Personnel

RE: Identity Theft and Embezzlement in connection with Outside Parties

The Office of the Comptroller of the Currency (OCC) has been advised of fraud schemes involving organized gangs and newly hired bank tellers. Organized gangs are aggressively recruiting bank tellers to cash forged savings account withdrawals from customer accounts, and to cash stolen United States Treasury checks. Tellers are reportedly being paid several hundred dollars per transaction to assist in this fraud scheme.

Federal law enforcement officials have learned that organized gangs are using coercion and threats of bodily harm to persuade individuals to assist them in the fraud scheme. In some cases, tellers already employed by financial institutions are being recruited. More commonly, individuals are being encouraged by gang members to apply for teller positions at financial institutions for the sole purpose of providing access to the institution's operating systems and customer access information. Typically, the gang member provides stolen information to the teller who keys the information into the bank's automated systems so it will appear as if customer visited the teller window. The perpetrators are careful to keep amounts under supervisory approval limits. As a result, detection is delayed until the victimized customer reports the fraud.

Organized gang activity has become more sophisticated and the sphere of influence of some gangs has expanded geographically. National banks should exercise care and due diligence in their hiring practices, and periodically evaluate internal controls over the teller area. National banks should also file a "Suspicious Activity Report" (SAR), if the situation warrants.

Any information that you have concerning this matter, or any questions about OCC's SAR requirements, should be brought to the attention of :

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